

Articles of Association

Approved For Release 2001/08/30 : CIA-RDP78-03089R000100010002-2

~~TERMS AND CONDITIONS~~

OF THE

VOLUNTARY RETIREMENT SAVINGS
AND INVESTMENT PLAN (Trust)

For Staff Employees of CIA
~~FOR MEMBERS OF THE~~
~~Voluntary Savings + Investment Trust~~
~~RETIREMENT SYSTEM~~

Voluntary Retirement Investment Trust

Article 1

Definitions

1. "Savings Plan" shall mean the Voluntary Retirement Savings and Investment Plan as herein established for members of the TVA Retirement System.
2. "Retirement System" shall mean the retirement system established as of November 1, 1939, for TVA Annual Employees.
3. "Member" shall mean a member of the Retirement System.
4. "Participant" shall mean a member of the Retirement System who has elected to participate in the Savings Plan.
5. "Rules and Regulations" shall mean the Rules and Regulations, as amended from time to time, under which the Retirement System operates.
6. "Terms and Conditions" shall mean the terms and conditions set out in this document, or as the same may be amended, under which the Savings Plan operates.
7. "Board" shall mean the Board of Directors of the Retirement System.
8. The masculine pronoun wherever used shall include the feminine pronoun.
9. Other terms used herein shall, unless a contrary meaning is clearly indicated, have the same meaning as provided in the Rules and Regulations.

Article 2

Participation

staff employee

1. Any ~~(Retirement System member)~~ who is currently enrolled for the purchase of United States Savings Bonds through payroll deductions may elect to participate in the Savings Plan or modify his participation, within the limitations prescribed in or pursuant to paragraphs 1 and 2 of article 4 hereof, by filing with the Board the prescribed election form. Such participation or modification shall become effective as soon as practicable after the Board's receipt of the form.
2. Except as provided in paragraph 6 of article 5, a member's participation in the Savings Plan shall continue so long as he remains a ~~member of the System~~ but he may discontinue his contributions at any time through a modification notice in accordance with paragraph 1 and his contributions shall be discontinued for him at any time he ceases to be enrolled for the purchase of United States Savings Bonds through payroll deductions.

Article 3

Savings Funds

1. As part of the Savings Plan the Board shall establish initially two savings funds to which the contributions made by the participants as provided in article 4 shall be credited in accordance with their respective designations, together with all income earned or other gains realized on the assets held in the respective funds. The assets of one such fund will be invested in the shares of Fidelity Trend Fund, Inc. under its Single Payment Plan, and the assets of the other fund will be invested in the shares of Puritan Fund, Inc. under its Single Payment Plan. The Board may, at its election, establish other such savings funds and designate the regulated investment company in whose shares the assets of the respective fund shall be invested; provided, however, that the Board shall notify TVA of its intention to establish another such fund not less than 30 days prior to the effective date thereof and such fund shall not be established if TVA disapproves the same within 30 days after receipt of such notice. Upon establishment of any additional fund, the members shall be given an opportunity to participate therein in ac-

cordance with the provisions of article 4. The investment in the shares of the investment company shall be made in each case in accordance with and subject to the options, privileges, and terms and conditions of the applicable investment plan of the company.

2. Each of the funds of the Savings Plan shall constitute a separate trust which shall be administered and maintained by the Board entirely separate and apart from all other funds and accounts of the Retirement System. The assets of each such fund shall be invested by the Board exclusively in the shares of the investment company designated by or pursuant to the provisions of paragraph 1 and shall be used exclusively in payment of benefits to the participants in the fund, or their beneficiaries, as such benefits become due and payable under these Terms and Conditions.

Article 4

Contributions

1. Each participant in the Savings Plan may contribute to one or two of the established savings funds, as he elects, through payroll deductions; provided that such contribution shall be in whole dollars and not less than \$5 per biweekly payroll period for each fund in which he participates; provided, further, that such payroll deductions for contributions by the participant to the Savings Plan may not, when added to his contributions to the Retirement System, exceed a total of (16) percent of his earnable compensation for the pay period. *# of %*
2. A participant may from time to time and within the limits set out above modify his rate of contribution to the Savings Plan, or change his current contribution from one established savings fund to another, subject to such limitation on frequency of change as the Board may prescribe. Subject to such conditions as the Board may impose, a participant may also be permitted to transfer his previously acquired equity in one savings fund to another.
3. The equity which a participant acquires in the assets of any savings fund shall be expressed in units, each of which shall be the equivalent of one share of the investment company in which the fund is invested. The Board will determine on a periodic basis the equity which a participant acquires by his contributions to

the savings fund by application to the participant's total contributions to the fund during such period of the average cost of all the investment company shares purchased for the fund in the same period, provided that such period will not be more than a month. Any distribution of cash or stock dividends or capital gains by the investment company will be prorated among the participants' accounts on the basis of their respective equities in the fund. ~~The Board~~ will maintain appropriate accounts showing the equity of each participant in the respective savings funds.

*The Board
The Agency*

Article 5

Benefits

1. Benefits under the Savings Plan shall normally be distributable at the time of the participant's retirement or death, or termination of ~~membership in the System~~ *(employment)* for other cause, it being intended that the Plan will provide a flexible means of supplementing the benefits provided under section 6 of the Rules and Regulations. *not necessary*
2. The normal method of distribution of the participant's equity in the Savings Plan shall be by transfer of the value of such equity at the time of his retirement to the Retirement System's Accumulation Account for conversion to a fixed-dollar annuity which is the actuarial equivalent of the amount so transferred, or to the Variable Annuity Fund for conversion to a variable annuity. The participant may, at the time he makes application for retirement or designates the manner in which his retirement allowance will be paid and subject to the Board's approval, select an alternative method of distribution which may be (a) installment payments in such amount and over such period as may be requested by the member and as can be conveniently arranged by the Board at the member's expense through the investment company or a custodian of such funds, (b) transfer to the member of shares of equivalent value in an investment company or companies in which any of the assets of the Savings Plan are currently invested, subject to investment policies and practices then in effect, or (c) a lump sum payment. In the case of a deferred retirement, the participant's election as to the method of distribution of his equity may be made when his employment ceases or when his retirement allowance *out* *current* *why necessary?*

begins, or he may select at any intervening time, subject to the Board's approval, one of the alternative methods of distribution described above.

3. On the death of a participant as a member in service of the Retirement System, his equity in the Savings Plan shall be paid in a lump sum to the beneficiary or beneficiaries designated to receive the death benefit provided for in section 6D2 of the Rules and Regulations, or to his estate, if no beneficiary has been designated; provided that the beneficiary, if only one person has been so designated, may elect to have the participant's equity in the Savings Plan transferred to the Retirement System's Accumulation Account for conversion along with the death benefit to one of the optional forms of settlement described in section 6F of the Rules and Regulations, or to the Variable Annuity Fund for conversion to a variable annuity. Such beneficiary may also elect, subject to the Board's approval, to receive the participant's equity in the Savings Plan (a) in installment payments in such amount and over such period as may be requested by the beneficiary and as can be conveniently arranged by the Board at the beneficiary's expense through the investment company or a custodian of such funds, or (b) by transfer of shares of equivalent value in an investment company or companies in which any of the assets of the Savings Plan are currently invested, subject to investment policies and practices then in effect. A participant may at his election make a separate designation of beneficiary or beneficiaries to receive his equity in the Savings Plan upon his death in service, and in that event such equity shall be payable only in a lump sum or as provided in items (a) and (b) above.
4. On the death of a participant under the circumstances described in section 6B3 or section 6D3 of the Rules and Regulations, his equity in the Savings Plan shall be paid in a lump sum to the beneficiary, or the participant's estate, entitled to receive the Retirement System benefits provided for under the respective sections, unless the participant shall have designated a separate beneficiary to receive his equity in the Savings Plan.
5. Upon termination of a participant's membership in the Retirement System for reasons

other than death or retirement, the value of his equity in the Savings Plan will be paid to him. Payment shall be in a lump sum, unless the participant elects within such time as the Board shall prescribe to have such payment made (a) in installments in such amount and over such period as may be requested by the participant and as can be conveniently arranged by the Board at the participant's expense through the investment company or a custodian of such funds, or (b) by transfer to him of shares of equivalent value in an investment company or companies in which any of the assets of the Savings Plan are currently invested, subject to investment policies and practices then in effect.

Cash
shares
in annual
installments

6. In addition to the other times for distribution of a participant's equity as provided in this article 5, a participant whose current period of participation in the Savings Plan is as much as three years, may, with the Board's approval, withdraw in a lump-sum one-half or all of his equity in the Savings Plan. If the participant withdraws one-half of his equity in the Plan, he shall not be permitted to make further contributions thereto until two years after such withdrawal; if he withdraws his entire equity, his participation in the Plan shall cease and he shall not be entitled again to participate earlier than three years following such withdrawal.

why
necessary

7. The liquidation in whole or in part of a participant's equity in the Savings Plan in order to make a lump-sum payment or transfer as provided in the preceding paragraphs of this article shall be made on the basis of the net asset value of the respective investment company shares as of the close of business on Friday (or the last business day of the New York Stock Exchange for that week if Friday is not a business day) of the week in which the Board receives the participant's (or beneficiary's) election of a lump-sum payment or transfer, provided it is received by noon of such day; otherwise, such liquidation shall be made on the basis of the net asset value at the close of the last business day of the succeeding week. Arrangements for payment of the participant's equity in installments through a custodian or by transfer of shares in an investment company shall be completed by the Board as soon as practicable and on the basis of values at the time such arrangements

good

are effected. Any portion of a participant's contributions to a fund which at the time of liquidation of his equity therein is not reflected in his equity account shall be refunded to the participant or his beneficiary, as the case may be.

Article 6

Termination of the Savings Plan

~~TVA~~ may terminate the Savings Plan at any time, and in that event, the Board will liquidate the assets in the various funds of the plan and will distribute the proceeds thereof among the participants in proportion to their respective equities in the funds. Payment may be made in one of the forms specified in paragraph 5 of article 5 of these Terms and Conditions, or the participant may at his election have part or all of his equity transferred to the Retirement System as a lump sum contribution thereto, subject to the limitations of section 9A, paragraph 5, of the Rules and Regulations.

Article 7

Amendments to Terms and Conditions

These Terms and Conditions may be amended by the Board from time to time, provided the Board gives at least 30 days' notice of the proposed amendment to TVA and to the participants. TVA may, by notice in writing addressed to the Board within said 30 days, disapprove any such proposed amendment and, in that event it shall not become effective. No such amendment may diminish the equity which a participant has theretofore acquired in a savings fund.

what is
significant
of this

Article 8

General Provisions

1. Neither the Board, the Retirement System, the Tennessee Valley Authority, nor any officer, employee, or agent thereof, shall incur any liability on account of any loss or decrease in the value of the assets of any of the funds in the Savings Plan, or in the amount of any member's equity therein, resulting from depreciation in the value of or earnings on the investment company shares purchased.
2. In all matters of administration of the Savings Plan which require the Board's approval or otherwise involve its discretion, the Board

shall act in a manner which will achieve, insofar as practicable, uniformity of treatment among all the participants.

3. Insofar as not inconsistent with these "Terms and Conditions," the Rules and Regulations and Bylaws of the Retirement System shall be applicable to the administration of the Savings Plan. In application of the foregoing and not in limitation thereof, the following provisions of the Rules and Regulations are made applicable to the Savings Plan:

- Should look into these to determine significance + resolution*
- a. The provisions of section 3, paragraph 7, as regards the efficacy of the Board's determinations in administration of the plan; ?
 - b. The provisions of section 6D1 as regards the right of set-off by TVA against a member's contributions to satisfy a debt owed it by the member; *question desirability* good
 - c. The provisions of section 11, paragraphs 7, 8, and 9, as regards, respectively, (1) extensions of time for filing applications for benefits or other instruments, (2) the use of prescribed forms in applying for benefits or designating or changing beneficiaries, and (3) the efficacy of beneficiary designations; ||
 - d. The provisions of section 12 prohibiting the assignment or encumbrance of benefits. } ?
- _____